

**CHIEF ADMINISTRATIVE OFFICE**  
**Procurement and Contracts Division**

Date Received
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**NON-COMPETITIVE PURCHASE REQUEST JUSTIFICATION**

Required for all (non-emergency) sole source acquisitions in excess of \$5,000.00 and sole source service requests in excess of \$100,000.00.

This justification document consists of three (3) pages. All information must be provided and all questions must be answered. **Department Head approval is required.**

**Requesting Department Information**

Department: 53-Behavioral Health	Org Code: 5330
Contact Name: Shaun O'Malley	Subobject: _____ User Code: _____
Telephone: 5306216146	Fax: _____

**Required Supplier / Vendor Information**

Vendor / Supplier Name: Paradise Oaks Youth Services	Vendor / Supplier Address: 6060 SUNRISE VISTA DRIVE SUITE 2100 CITRUS HEIGHTS, CA 95610
Contact Name: Robert Pye	Vendor / Supplier Email Address: rpye@paradiseoaks.com
Estimated Purchase Price/Contract Amount: \$400,000	Fax: _____
Telephone: 916-834-7280	

Provide a brief description of the request, including all goods and/or services the vendor/supplier will provide and supporting exemption reference from Board Policy C-17 - Procurement Policy:

Paradise Oaks Youth Services will provide Drug Medi-Cal Organized Delivery System (DMC-ODS) services to eligible El Dorado County Medi-Cal beneficiaries diagnosed with a Substance Use Disorder (SUD). These services include both outpatient and residential treatment. To maintain network adequacy requirements, El Dorado County must contract with all local DMC-certified providers. Therefore, a competitive bidding process would not provide any economic benefit to the County. All provider subcontracts are established using negotiated rates determined by El Dorado County SUD Services, based on Medi-Cal reimbursement guidelines. An agreement with this provider is exempt from competitive bidding under C-17, Section 3.4(3), as "competitive bidding would produce no economic benefit to the County" due to the limited number of providers.

Department Head:   
Signature Olivia Byron-Cooper (Jan 23, 2026 08:10:40 PST)

Purchasing Agent:   
Signature Michele Weimer (Jan 27, 2026 10:39:12 PST)

Board of Supervisors:  
Date: 03/10/26  
Item: 26-0144

P&C Assignment:  
Assigned To: \_\_\_\_\_  
Date: \_\_\_\_\_

**A. The good/service requested is restricted to one supplier for the reason stated below:**

1. Why is the acquisition restricted to this goods/services supplier? (Explain why the acquisition cannot be competitively sourced. Explain how the supplier is the only source for the acquisition.)

County DMC-ODS has posted multiple RFQs in an effort to acquire a youth residential treatment provider. All of the RFQs for Level 3.5, residential treatment services for youth (12-17 years old) have failed. County DMC-ODS currently contracts with all DMC qualified vendors to maintain levels of care. This cannot be competitively sourced due to the need for contracted providers, our current network does not even meet the demand. Network Adequacy Standards require El Dorado County SUDs to maintain a certain level of provider types/levels/etc. Paradise Oaks Youth Services is DMC certified by the Department of Health Care Services (DHCS) for the following services: Level 3.1 Clinically Managed Low-Intensity Residential and Level 3.5 Clinically Managed High Intensity and Residential Treatment Room and Board.

2. Provide the background of events leading to this acquisition.

Since 2019, El Dorado County SUDs has maintained a contract with DHCS for DMC-ODS services. These services involve outpatient, residential, and narcotic treatment providers. El Dorado County does not possess the proper licenses nor personnel to provide these services and has therefore subcontracted for them. In order to meet demand, El Dorado County SUDs has contracted with all local providers that meet the strict DMC Certification standards. In 2022, HHSa did two different back-to-back issued RFQs for Recovery Residences-Substance Use Residential Treatment Services (no specified LOC) which are applicable to this agreement since it is Substance Use Disorder (SUD) residential services. Failure of first RFQ (#22-952-032) closed 4/25/22 and was failed due to no bid responses. Failure of second RFQ (#22-952-058) for same services issued a second time under RFQ #22-952-058, posted for 90 days on 5/2/22 through 8/3/22. The duplicate second RFQ also failed due to no responses. In addition a third failed RFQ (#24-0060) for Level 3.5 services failed due to no bid results for youth residential treatment services. No youth service response was received for 3.5 LOC thus resulted in a failed bid.

3. Describe the uniqueness of the acquisition. (Why was the goods/services supplier chosen?)

County DMC-ODS is willing to contract with any local providers that meet the DMC certification because there is a dire need for mandated DMC services. The need exceeds the availability of DMC certified providers. County DMC-ODS is required to maintain contracts with contracted providers as the county is not able to provide all of the required services.

4. What are the consequences of not purchasing the goods/services or contracting with the proposed supplier?

Per the DHCS contract, the DMC-ODS is required to demonstrate it has the capacity to serve the expected enrollment in its service area in accordance with network adequacy standards developed by DHCS as required by departmental guidance and regulations (Intergovernmental Agreement (IA), Exhibit A, Attachment 1, section I1.E.2.i; 42 Code of Federal Regulations, §438.207, subd. (a); Welfare & Institutions Code (WIC) §14197.1.1). In December 2025, El Dorado County received a letter from DHCS stating that County is out of compliance due to not having a Medi-Cal provider for youth residential services. These are mandated services that are required by our contract with DHCS 25-50096 (Fenix #9726). If County DMC-ODS fails to provide the mandated services, fines and sanctions may be received.

5. What market research was conducted to substantiate no competition, including the evaluation of other items or service providers? (Provide a narrative of your efforts to identify other similar or appropriate goods/services, including a summary of how the department concluded that such alternatives are either inappropriate or unavailable. The name and addresses of suppliers contacted and the reasons for not considering them must be included OR an explanation of why the survey or effort to identify other goods/services was not performed.)

El Dorado County did not make an effort to identify other goods or services because the local providers that are DMC certified and able to provide services are well-known and either contracted with El Dorado County or neighboring counties. These services must be performed by specialized provider types. DHCS maintains a list of DMC certified providers that are within the county lines and routinely sends that list to El Dorado County on a monthly basis so new providers can be identified and then contracted with.

**B. Price Analysis:**

1. How was the price offered determined to be fair and reasonable? (Explain what basis was used for comparison and include cost analysis as applicable.)

DMC-ODS provides Medi-Cal reimbursement rates for El Dorado County. These rates are then negotiated with each provider type. Prices are determined to be fair and reasonable based on the percentage when compared to the reimbursement rate.

2. Describe any cost savings or avoidance realized (one-time or ongoing) by acquiring the goods/services from this supplier.

Rate negotiations allow us to control the percentage of Medi-Cal reimbursed funds that are given to providers. This allows the County to maintain on-going cost control.